

For: State and County Offices

**Adjusted Gross Income (AGI) and Direct Attribution Certification Statement for CRP**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

Notice CRP-613:

- provided that for CRP, payment limitation/eligibility determinations and AGI provisions of the Food, Conservation, and Energy Act of 2008 (2008 Act) apply beginning October 1, 2008
- suspended CRP contract approvals for all signup types beginning October 1, 2008, until a new CRP form is developed
- suspended cost-share payments, wetland restoration incentives, signing incentive payments (SIP's), and practice incentive payments (PIP's) until the subsidiary file is updated to provide for 2009 flags.

**B Purpose**

This notice provides:

- authority to approve new CRP-1's after October 1, 2008, or later for producers who agree to AGI and direct attribution provisions
- an interim policy for CRP participant certification for AGI and direct attribution until AGI and direct attribution policy is published in FR
- CRP-1N Addendum (Exhibit 1).

**Note:** A future notice will provide policy for issuing CRP PIP's, SIP's, and cost-share payments temporarily suspended by Notice CRP-613.

Disposal Date	Distribution
October 1, 2009	State Offices; State Offices relay to County Offices and NRCS State Offices

## Notice CRP-623

### 2 General Policy

#### A CRP-1's Subject to AGI and Direct Attribution

All producers with CRP offers that were **not** approved before October 1, 2008, are subject to AGI and direct attribution provisions of the 2008 Act. If producers do **not** want to comply with the AGI and direct attribution provisions, they may withdraw the CRP offer within 60 calendar days of being notified by CCC of the opportunity to withdraw.

#### B Signing CRP-1N Addendum

For CRP-1's **not** approved by September 30, 2008, each signatory on CRP-1 must sign CRP-1N Addendum before COC can approve CRP-1.

#### C Notification to Producers

All producers with CRP-1's that were **not** approved by September 30, 2008, must be notified that:

- AGI and direct attribution provisions of the 2008 Act apply to CRP-1
- CRP-1N Addendum must be signed by each signatory on CRP-1 before CRP-1 may be approved.

#### D Approving CRP-1's

Producers with signed CRP-1's for which approval was suspended must agree to sign CRP-1N Addendum. COC may approve CRP-1's provided that:

- all signatories on CRP-1 sign CRP-1N Addendum
- other eligibility requirements are met.

**Note:** If producers refuse to sign CRP-1N Addendum within 60 calendar days of being notified, COC shall void the offer.

## Notice CRP-623

### 3 Action

#### A State Office Action

State Offices shall ensure that County Offices:

- understand the provisions of this notice
- notify affected producers of the provisions of this notice.

#### B County Office Action

County Offices shall:

- notify affected producers of the provisions of this notice
- ensure that COC's approve CRP-1's after receipt of the signed CRP-1N Addendum
- ensure that COC's withdraw offers for producers who refused to agree to comply with AGI and direct attribution.

**CRP-1N Addendum, CRP-1 Addendum to Certify to the Adjusted Gross Income and Direct Attribution Provisions**

This form is available electronically.

<b>CRP-1N Addendum</b> (11-14-08)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1A. State Code	1B. County Code	
	<b>CRP-1 ADDENDUM TO CERTIFY TO THE                  ADJUSTED GROSS INCOME AND                  DIRECT ATTRIBUTION PROVISIONS</b>			2. Contract Number	
				3. Farm Number	

**4. CERTIFICATION STATEMENT**

This CRP-1N Addendum is entered into by the Commodity Credit Corporation (CCC) and the undersigned producer(s) who wish to participate in the Conservation Reserve Program (CRP) under the contract listed in Item 2, above.

By signing this contract addendum, the undersigned producer(s) and CCC understand and agree that:

- the Adjusted Gross Income (AGI) provisions of Section 1001D of the Food Security Act of 1985, as amended, provide that a person or legal entity is not eligible to receive CRP program benefits if the average adjusted gross income of that person or legal entity exceeds \$1 million.
- the AGI provisions of Section 1001D of the Food Security Act of 1985, as amended, apply to the contract listed in Item 2, above.
- the Direct Attribution provisions of Section 1001 of the Food Security Act of 1985, as amended, provide that payments are attributed to a person by taking into account the direct and indirect ownership interests of the person in a legal entity that is eligible to receive payments and applies to this contract.
- the Direct Attribution provisions of Section 1001 of the Food Security Act of 1985, as amended, apply to the contract listed in Item 2, above.
- the Actively Engaged/Payment Eligibility provisions of Section 1001A of the Food Security Act of 1985, as amended, apply to the contract listed in Item 2, above.
- CCC intends to publish a final rule for AGI and Direct Attribution in the Federal Register. Following publication of that final rule, the producer(s) may terminate the contract listed in Item 2, above, within 60 days of being notified of the opportunity to do so by CCC. If the producer(s) terminates the contract, CCC will not require refunds of CRP payments associated with the contract, the CCC will waive liquidated damages, and the producer(s) may reoffer the land that was covered by the contract into CRP.

It is so agreed and understood.

5A. Producer's Signature (By)		5B. Title/Relationship (Individual Signing in the representative capacity)		6. Date (MM-DD-YYYY)		
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5A. Producer's Signature (By)		5B. Title/Relationship (Individual Signing in the representative capacity)		6. Date (MM-DD-YYYY)		
7A. Signature of CCC Representative		7B. Date (MM-DD-YYYY)	7C. County FSA Office Name and Address (Including ZIP Code) Telephone No. (Including Area Code):			

**NOTE:** The primary authority for requesting and safeguarding the information described on this form is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). Additionally, the authority for requesting this information is for 7 CFR Part 1400 and 7 CFR Part 1410. The information requested is necessary for contract approval. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in a determination of ineligibility for certain program benefits and other financial assistance administered by USDA. The information collected as a result of this form may be released to USDA employees, USDA contractors, or authorized USDA cooperators who are bound to safeguard the information under Section 1619 of the Food, Conservation and Energy Act, the Privacy Act of 1974, the E-Government Act of 2002, and related authorities. This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title II, Subtitle J - Administration). The provisions of criminal, civil, and privacy statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

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